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THE CURRENCY REPORT

December, 1918

Currency Policy during the War—Its Disastrous Mediævalism—
The Report of the Cunliffe Committee—A Blast of Common
Sense—The Condemnation of our War Finance—Inflation
and the Rise in Prices—The Figures of the Present Position
—The Break in the Old Relation between Legal Tender and
Gold—How to restore it—Stop Borrowing and reduce the
Floating Debt—Return to the Old System—The Committee's
Sane Conservatism—A Sound Currency vital to National
Recovery.

AMONG the many features of the late war (how comfortable it is to talk about the "late war"!) that seem likely to astonish the historian of the future, perhaps the thing that will surprise him most is the behaviour of the warring Governments in currency matters. It is surely a most extraordinary thing after all that has been thought, said and written about monetary policy since money was invented that as soon as a great economic effort was necessary on the part of the leading civilised Powers, they should all have fallen back on the old mediæval dodge of depreciating the currency, varied to suit modern needs, in order to pay part of their war bill, and should have continued this policy throughout the course of the war, in spite of the obvious results that it was producing in the shape of unrest, suspicion and